



DIVISION OF DEVELOPMENTAL DISABILITIES
Olympia, Washington

TITLE: RESIDENTIAL PROGRAM DEVELOPMENT POLICY 6.14

Authority: RCW 71A.12.080
 WAC 275-26-107

PURPOSE

This policy describes the costs allowable as "program development" expenses for initial program development in establishing or expanding program services for clients served by the Division of Development Disabilities (DDD). The procedures for authorizing and making such start-up payments are also described.

SCOPE

This policy applies to all Field Services Offices and Residential Habilitation Centers (RHCs).

POLICY

Program development cost may be authorized by a Regional Administrator whenever necessary to establish or expand service providers.

PROCEDURES

A. Allowable Costs

Payment for any or all of the following activities may be authorized as part of the cost of establishing or expanding services:

1. Initial arrangements for the procurement of administrative space and equipment;
2. Development of required policies and procedures;
3. Staff recruitment and training;

4. Pre-placement activities, such as:
 - a. Evaluating referrals, interviewing clients;
 - b. Planning individual program services;
 - c. Locating/securing/modifying client housing;
 - d. Procuring essential pre-placement possessions with/for client (e.g., basic furnishings, adaptive equipment, etc.). Agency will utilize appropriate payment sources for these activities, such as medical coupons if applicable;
 - e. Making preliminary arrangements for other support services (e.g., programs, financial assistance, medical services, counseling, therapy, etc.); and
 - f. Transporting clients;
5. Initial arrangements, such as down payment or lease cost, for the procurement of agency vehicles to transport clients when/where alternative means of transportation are not feasible; and
6. Other expenses as approved by the Regional Administrator and specified in the contract.

Funds under this section will not pay for capital assets, but will allow a contractor to make arrangements for their purchase (such as down payment or lease arrangements).

B. Determination of Program Cost Amount

1. The proposed service provider must submit to the region, in advance, a proposed budget itemizing requested program development costs.
2. The Regional Administrator, or his/her designee, will review the request for:
 - a. Documentation of competitive bids or of reasonable comparison shopping for services/items to be purchased; and
 - b. Determination of reasonable estimates of time proposed to complete various transactions.

3. The Regional Administrator will determine the maximum consideration to be approved for start-up.

C. Authorization of Program Development Costs

1. As approved by the Regional Administrator, program development costs will be authorized through the use of DDD's start-up contract.
2. It is expected that contractor program development activities will be complete and the contractor will begin to provide the intended ongoing services within a period of ninety (90) days, or less, from the effective date of the program development contract.

D. Reimbursement

The service provider will bill DDD for the contracted amount on a standard A-19 Invoice Voucher and the budget attachment. The regional resource manager will ensure that the provider is instructed in how to complete and submit the invoice voucher consistent with department requirements.

E. Settlement

The program development contractor is required to retain receipts or records for six (6) years documenting the actual cost of all start-up activities authorized and billed. Within sixty (60) days after the termination of the start-up period, as determined by the termination date of the program development contract, settlement will occur as follows:

1. Provided that the program development activities actually result in the implementation of the intended client services, the contractor will submit to DDD documentation verifying costs incurred for all authorized/reimbursed start-up transactions.
 - a. If the amount billed by the contractor and reimbursed by DDD is equal to the actual costs incurred by the provider, then there is deemed to be no further settlement.
 - b. If the amount billed by the contractor and reimbursed by DDD is less than the actual costs incurred by the provider and less than the maximum consideration allowed in the start-up contract, DDD will notify the provider in writing and will pay the difference to the provider within thirty (30) days after issuing such notice.

- c. If the amount billed by the contractor and reimbursed by DDD is more than the actual costs incurred by the contractor, then the difference will be deemed an overpayment and DDD will notify the contractor in writing of the amount due. The contractor will refund the designated overpayment amount within thirty (30) days after receiving such notice or will make arrangements for refunding the overpayment with the DSHS Office of Financial Recovery.
2. If through default on the part of the contractor, start-up activities do not result in the implementation of the intended client services, all start-up payment(s) billed by the contractor and reimbursed by DDD shall be deemed an overpayment. DDD will notify the contractor in writing of the full amount of the overpayment. The contractor will refund the designated overpayment amount in full within thirty (30) days after receiving such notice or will make arrangements to refund the overpayment with the DSHS Office of Financial Recovery.

F. DDD Allocation of Costs

Program development costs will be allocated on a prorated basis to Intermediate Care Facility for the Mentally Retarded (ICF/MR) providers in order to receive Federal Financial Participation (FFP).

1. In the Residential Habilitation Centers (RHCs) these costs will be included in regular settlement provisions.
2. For community providers these costs will be allocated directly on a quarterly basis.

EXCEPTIONS

Exceptions to the provisions of this policy may be approved by the Division Director based on information submitted on the department's standard Policy Exception Request form, DSHS 05-010(X).

DEFINITIONS

"Program Development Costs" as covered in this policy include only those expenses incurred by a residential contracting agency for the purpose of establishing or expanding provider capacity to provide service to DDD clients. Program development expenses directly associated with individual client needs are deemed to be covered in DDD Policy 6.11, Non-Facility Based Allowance.

SUPERSESSION

DDD Policy 6.14
Issued December 30, 1993

Policy Directive 130
Issued November 1991

Approved: /s/ Timothy R. Brown
Director, Division of Developmental Disabilities

Date: 8/5/98